

SENATE BILL REPORT

SB 6038

As Reported by Senate Committee On:
Health & Long-Term Care, February 24, 2009
Ways & Means, March 2, 2009

Title: An act relating to the basic health plan.

Brief Description: Concerning the basic health plan.

Sponsors: Senators Keiser and Kohl-Welles.

Brief History:

Committee Activity: Health & Long-Term Care: 2/23/09, 2/24/09 [DPS-WM, w/oRec].
Ways & Means: 2/27/09, 3/02/09 [DP2S, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6038 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Fairley, Marr and Murray.

Minority Report: That it be referred without recommendation.

Signed by Senators Becker and Parlette.

Staff: Mich'l Needham (786-7442)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6038 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Pridemore and Rockefeller.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Carrell, Hewitt, Parlette and Schoesler.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Elaine Deschamps (786-7441)

Background: The Basic Health program is a state-sponsored program providing low-cost health care coverage through private health plans. The program is available for Washington State residents who have family incomes below 200 percent of federal poverty level; are not eligible for free or purchased Medicare; are not institutionalized at the time of enrollment; and are not attending school full-time in the United States on a student visa. Foster parents with family incomes below 300 percent of the federal poverty level are eligible for the subsidized program as well. The program also includes a health coverage tax credit program, linked to the Federal Trade Act of 2002, for enrollees that may be eligible for certain trade adjustment assistance benefits.

Summary of Bill (Recommended Second Substitute): A new category of Basic Health enrollee called an "economic recovery enrollee" is established as of January 1, 2010. To qualify, the enrollee must become involuntarily unemployed on or after September 1, 2008, and be receiving unemployment compensation benefits. Those individuals not meeting the eligibility criteria for the subsidized program will be charged the full premium for the program. If an economic recovery enrollee becomes eligible for federal funds to provide health coverage, those funds may be used to subsidize the premiums of the enrollee.

Economic recovery enrollees must complete the standard health screening questionnaire as nonsubsidized enrollees. Health insurance carriers that offer the subsidized Basic Health program must also offer the nonsubsidized program for economic recovery enrollees and health coverage tax credit enrollees. The claims experience of all enrollees must be pooled.

The Employment Security Department must provide information about the Basic Health program and the option for economic recovery enrollees to any person filing a claim for unemployment and for any person who has exhausted his or her unemployment benefits.

The bill is contingent upon funding provided in the 2009-11 budget.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Second Substitute): The bill is contingent upon funding provided in the 2009-11 budget.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (Recommended First Substitute as Passed Committee): An effective date of January 1, 2010, is inserted for the new program eligibility. The definition of "economic recovery enrollee" is modified to those who are receiving unemployment under Title 50 RCW. The administrative charge added to the premiums for the economic recovery enrollee does not apply to those in the regular subsidized program. Economic recovery enrollees must complete the same standard health screening questionnaire as nonsubsidized enrollees.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Proposed Substitute as Heard in Committee (Health & Long-Term Care): PRO: The unemployment figures are rising every day and with them the uninsured figures will increase as well. This bill offers one seamless way to offer benefits to the unemployed and assure they have a choice to access health coverage. It is aimed at those receiving unemployment, and that should mitigate some of the adverse risk carriers may be concerned about. These people have been part of the healthy working population. This just provides an option to buy insurance that may be cheaper than a COBRA option they may have.

Persons Testifying (Health & Long-Term Care): PRO: Senator Keiser, prime sponsor.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.